

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Glenn H. Morrison
26026 Southfield Road
Southfield, MI 48076
License No.: FL-0013493

Enforcement Case No. 08-6948

Respondent
_____ /

FINAL ORDER TO REVOKE FIRST MORTGAGE BROKER LICENSE

Issued and Entered,
This 15th day of January, 2009,
By Stephen R. Hilker,
Chief Deputy Commissioner

I.
FINDINGS OF FACT

1. On November 10, 2008, pursuant to MCL 445.1662, the Chief Deputy Commissioner issued to Glenn H. Morrison (Respondent) a NOTICE OF INTENTION TO REVOKE LICENSE/REGISTRATION ("Notice").

2. Said Notice, served on Respondent via certified mail, was received by Respondent on November 13, 2008, as evidenced by the signed certified mail Domestic Return Receipt.

3. Said Notice contained allegations that Respondent had violated the Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 P.A. 173, as amended, MCL 445.1651 *et seq.* ("MBLSLA").

4. Said Notice further advised Respondent that failure to request a hearing within 20 days would result in the issuance of a final order revoking Respondent's license/registration.

5. Respondent failed to request a hearing within 20 days as required by statute.

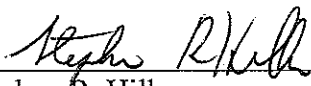
II.

FINAL ORDER TO REVOKE FIRST MORTGAGE BROKER LICENSE

NOW THEREFORE, based upon the factual findings set forth above and the files and records of the Office of Financial and Insurance Regulation, IT IS HEREBY ORDERED THAT:

Respondent's first mortgage broker license, license no. FL-0013493, issued pursuant to the provisions of the MBLSLA, shall be and hereby is REVOKED.

IT IS SO ORDERED.



Stephen R. Hilker
Chief Deputy Commissioner

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of Financial and Insurance Regulation

In the matter of:

Enforcement Case No. 08-06948

MORRISON, GLENN H.

License/Registration No.: FL-0013493

Respondent.

To:

**MR GLENN MORRISON
MORRISON, GLENN H.
26026 SOUTHFIELD RD
LATHRUP VILLAGE, MI 48076-4527**

**MR GLENN MORRISON
MORRISON, GLENN H.
26026 SOUTHFIELD ROAD
SOUTHFIELD, MI 48076**

NOTICE OF INTENTION TO REVOKE LICENSE/REGISTRATION

Pursuant to Section 12 of the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), MCL 445.1662, and the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, this notice is provided to give you notice of facts or conduct which, if true, will result in the issuance of an order revoking your license/registration and may result in assessment of a civil fine and a late filing penalty.

Within twenty (20) days after the issuance of this Notice of Intention to Revoke License/Registration, you must file a written request for a hearing if you desire to contest the notice. This request must be sent to:

Office of Financial and Insurance Regulation
Office of General Counsel
Attn: Dawn K. Kobus
P. O. Box 30220
Lansing, MI 48909

If you fail to timely file a request for a hearing, the Chief Deputy Commissioner will enter a final order revoking your license/registration and may assess the maximum civil fine and late filing penalty permitted by statute.

FACTUAL ALLEGATIONS AND COMPLAINT

The staff of the Office of Financial and Insurance Regulation (OFIR) alleges that the following facts are true and correct:

1. At all pertinent times, Respondent was licensed with OFIR, pursuant to the provisions of the MBLSLA.
2. On or about January 27, 2008, staff of OFIR sent to Respondent by first class mail with sufficient postage affixed, a notice regarding the filing of annual financial statements and an approved financial statement form. The notice stated, in pertinent part:

“RE: Financial Statement – *Due 90 days after fiscal year end*

“Pursuant to Section 7(2) of the Mortgage Brokers, Lenders, and Servicers Licensing Act (Act), a licensee/registrant annually must deliver to the Commissioner a financial statement for its fiscal year, **not later than 90 days after the close of the fiscal year.**

* * *

“Section 8(6) of the Act states the following:

“A licensee or registrant that fails to submit to the commissioner the reports as required by sections 7 or section 21 is subject to a penalty of \$25.00 for each day the report is delinquent or \$1,000.00, whichever is less.

“Please Note: A financial statement received after the due date will be delinquent. A delinquent financial statement is subject to a penalty as discussed in Section 8(6) of the Act.”

3. On or about April 19, 2008, staff of OFIR sent to Respondent by first class mail with sufficient postage affixed, a notice that its required financial statement had not been filed and that due to failure to submit the financial statement, the licensee/registrant is subject to a daily penalty and administrative action, which could result in the imposition of civil fines or revocation of the license/registration.

4. Again, on or about September 7, 2008, staff of OFIR sent to Respondent by first class mail with sufficient postage affixed, a notice that its required financial statement had not been filed and that administrative action against the license/registration would be taken if the report was not immediately filed.

5. On October 24, 2008, pursuant to Section 11(2)(c) of the MBLSLA, MCL 445.1661(2)(c), OFIR staff initiated a review of filed financial statements to determine whether Respondent's financial statement had been filed as required. Staff determined that Respondent failed to file its financial statement.

6. By failing to file its financial statement within the time limit required by the MBLSLA, Respondent has violated Section 7(2) of the MBLSLA, MCL 445.1657(2).

APPLICABLE LAW AND PENALTIES

Section 7(2) of the MBLSLA, MCL 445.1657(2), provides

(2) Not later than 90 days after the close of the fiscal year of a licensee or registrant, the licensee or registrant shall annually deliver to the commissioner a financial statement for the fiscal year prepared from the licensee's or registrant's

books and records. At the licensee's or registrant's option, the financial statement may be any of the following:

- (a) A form prescribed by the commissioner.
- (b) A report substantially similar to the form prescribed by the commissioner, which report the licensee or registrant represents to the commissioner to be true and complete.
- (c) In a format prepared and certified by an independent certified public accountant licensed by a regulatory authority of any state or political subdivision of the United States.

Section 8(6) of the MBLSLA, MCL 445.1658(6) provides:

"A licensee or registrant who fails to submit to the commissioner a report required by section 7 or section 21 is subject to a penalty of \$25.00 for each day the report is delinquent or \$1,000, whichever is less.

Section 11 of the MBLSLA, MCL 445.1661, provides:

- (1) The commissioner shall exercise general supervision and control over mortgage brokers, mortgage lenders, and mortgage servicers doing business in this state.
- (2) In addition to the other powers granted to the commissioner by this act, the commissioner shall have the following powers:
 - (a) To promulgate reasonable rules pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, as necessary to implement and administer this act.
 - (b) To deny an application for a license.
 - (c) To conduct examinations and investigations of any person as necessary for the efficient enforcement of this act and the rules promulgated under this act.
 - (d) To advise the attorney general or the prosecuting attorney of the county in which the business is conducted that the commissioner believes a licensee, registrant, or person is violating this act, and the attorney general or prosecuting attorney shall cause the appropriate legal action to be taken to enjoin the operation of the business or prosecute violations of this act.
 - (e) To bring an action in the Ingham county circuit court in the name and on behalf of the state against the licensee, registrant, or any other person who is participating in, or about to participate in, any unsafe or injurious practice or act in violation of this act or a rule promulgated under this act, to enjoin the person from participating in or continuing such practice or engaging in such act.
 - (f) To order a person to cease and desist from a violation of this act or a rule promulgated under this act in accordance with section 16.
 - (g) To suspend or revoke a license or registration in accordance with section 29.
 - (h) To require that restitution be made in accordance with section 29.

- (i) To assess a civil fine in accordance with section 29.
- (j) To censure a licensee or registrant.

Section 12(1) and (2) of the MBLSLA; MCL 445.1662 provides:

- (1) Notice to a licensee or registrant of intention to enter an order of license or registration, suspension or revocation, or notice to an applicant of a refusal to issue a license shall be given in writing, served personally or sent by certified mail to the licensee, registrant, or applicant.
- (2) Within 20 days after the notice of the intention to enter an order of license or registration, suspension or revocation, or a refusal to issue a license or registration under subsection (1), the licensee, registrant, or applicant may request a hearing to contest the order or refusal. If a hearing regarding suspension or revocation is not requested, the commissioner shall enter a final order regarding the suspension or revocation. A hearing shall be conducted in accordance with the provisions of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

Section 22 of the MBLSLA, MCL 445.1672, provides:

It shall be a violation of this act if a licensee or registrant:

- (a) Does not conduct the business in accordance with law, or has violated any other provision of this act, or a rule promulgated or order issued under this act.
- (b) Engages in fraud, deceit, or material misrepresentation in connection with any transaction governed by this act.
- (c) Intentionally or due to gross or wanton negligence, repeatedly fails to provide borrowers material disclosures of information as required by state or federal law.
- (d) Suppresses or withholds from the commissioner any information that the licensee or registrant possesses and that, if submitted, would have made the licensee or registrant ineligible for licensing or registration under this act or would have warranted the commissioner's denial of a license application or refusal to accept a registration.
- (e) Violates any provision of Act No. 125 of the Public Acts of 1966, being sections 565.161 to 565.163 of the Michigan Compiled Laws, regulating the handling of mortgage escrow accounts by mortgagees.
- (f) Until proper disbursement is made, fails to place in a trust or escrow account held by a federally insured depository financial institution in a manner approved by the commissioner any money, funds, deposits, checks, drafts, or other negotiable instruments received by a mortgage broker, mortgage lender, or mortgage servicer that is the portion of a payment on a mortgage loan that the person is obligated to pay to a third party, including amounts paid to the holder of the mortgage loan, amounts for property taxes and insurance premiums, or

amounts paid under an agreement that requires if the mortgage loan is not closed the amounts paid shall be refunded to the prospective borrower or if the mortgage loan is closed the amounts paid shall be applied to fees and costs incurred at the time the mortgage loan is closed. Fees and costs include, but are not limited to, title insurance premiums and recording fees. Fees and costs do not include amounts paid to cover costs incurred to process the mortgage loan application, to obtain an appraisal, or to receive a credit report.

(g) Refuses to permit an examination or investigation by the commissioner of the books and affairs of the licensee or registrant, or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the commissioner pursuant to this act.

(h) Is convicted of a felony, or any misdemeanor of which an essential element is fraud.

(i) Refuses or fails to pay, within a reasonable time, those expenses assessed to the licensee or registrant pursuant to this act.

(j) Fails to make restitution after having been ordered to do so by the commissioner or an administrative agency, or fails to make restitution or pay damages to persons injured by the licensee's or registrant's business transactions after having been ordered to do so by a court.

(k) Fails to make a mortgage loan pursuant to, and in accordance with, a written commitment to make a mortgage loan issued to, and accepted by, a person when the person has timely and completely satisfied all the conditions of the commitment prior to the expiration of the commitment.

(l) Requires a prospective borrower to deal exclusively with the licensee or registrant in regard to a mortgage loan application.

(m) Takes a security interest in real property before closing the mortgage loan to secure payment of fees assessed in connection with a mortgage loan application.

Section 29(2) of the MBLSLA, MCL 445.1679(2) provides:

If the commissioner finds that a licensee or registrant has violated this act or the rules promulgated under this act, the commissioner may do 1 or more of the following:

- (a) Assess a civil fine against the licensee, registrant, or a person who controls the licensee or registrant of not more than \$1,000.00 for each violation, except that the licensee, registrant, or a person shall not be fined more than \$10,000.00 for a transaction resulting in more than 1 violation, plus the costs of the investigation.
- (b) Suspend or revoke a license or registration or refuse to issue or renew a license or registration.

Notice of Intention to Revoke License

Enforcement Case No. 08-06948

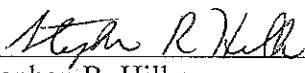
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- (c) Require the licensee or registrant or a person who controls the licensee or registrant to make restitution to each injured individual, if the commissioner finds that the violation of this act or a rule promulgated under this act resulted in an injury to 1 or more individuals.

Section 92 of the MAPA, MCL 24.292, provides:

Before the commencement of proceedings for suspension, revocation, annulment, withdrawal, recall, cancellation or amendment of a license, an agency shall give notice, personally or by mail, to the licensee of facts or conduct which warrant the intended action. The licensee shall be given an opportunity to show compliance with all lawful requirements for retention of the license. If the agency finds that the public health, safety or welfare requires emergency action and incorporates this finding in its order, summary suspension of a license may be ordered effective on the date specified in the order or on service of a certified copy of the order on the licensee, whichever is later, and effective during the proceedings. The proceedings shall be promptly commenced and determined.

Dated: 11/12/08



Stephen R. Hilker
Chief Deputy Commissioner